



Statutory Guidance: Socially Responsible Public Procurement



Introduction

1. The Act describes the socially responsible procurement duty as deriving its meaning from the [Well-being and Future Generations \(Wales\) Act 2015](#) (WFGA), by reference to sustainable development. This is defined as the process of **improving economic, social, environmental and cultural well-being** by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals. The sustainable development principle, from which the WFGA's five ways of working are drawn¹, is “making sure that the needs of the present are met without compromising the ability of future generations to meet their own needs”.
2. Section 24 of the [Social Partnership and Public Procurement \(Wales\) Act 2023](#) (SPPP Act) sets out the socially responsible procurement duty. A Contracting Authority (CA) “**must seek to improve the economic, social, environmental and cultural well-being of its area by carrying out public procurement in a socially responsible way**”.
3. This duty applies to all **public procurement** as defined in the SPPP Act, and there are no exceptions for smaller contracts.

Expression	Meaning
public procurement (“ <i>caffael cyhoeddus</i> ”)	SPPP Act s.23 For the purposes of this Part, references to “public procurement” are to a contracting authority— (a) designing and carrying out any procedure preceding the award of a public contract including, in particular, seeking bids and selecting economic operators; (b) drafting, negotiating and awarding a public contract; (c) managing a public contract after it has been awarded; and references to “procurement” are to be construed accordingly.

¹ [Well-being of Future Generations \(Wales\) Act 2015: the essentials](#) | GOV.WALES



4. CAs therefore need to consider **economic, social, environmental and cultural well-being** and apply the five ways of working when setting socially responsible procurement objectives (SRP Objectives) designed to maximise a contribution to achieve the seven well-being goals. These SRP Objectives should inform all procurement activity.
5. Section 24 of the SPPP Act requires the CA to set and publish SRP Objectives designed to maximise its contribution to achieving the well-being goals. See ([Statutory Guidance – Setting and Meeting SRP Objectives](#)) for more details on objective-setting.
6. A CA must also take all reasonable steps to meet its SRP Objectives in relation to **prescribed contracts** and take further specific actions in relation to **major construction contracts** and **outsourcing services contracts** (see below for details of Prescribed Contracts and Specific Actions for Major Construction and Outsourcing Services Contracts).

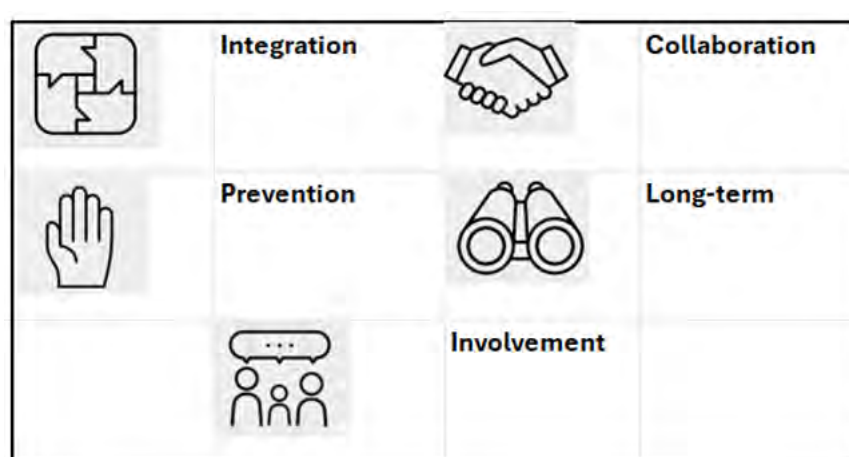
Economic, social, environmental and cultural well-being

7. This SPPP Act follows the WFGA in that, rather than defining **economic, social, environmental and cultural** well-being, it explains what actions are needed to achieve them – i.e. by pursuing the seven well-being goals and applying the five ways of working. This requires consideration of how spending money in a particular way might:
 - reduce risks of harm to well-being; and
 - achieve well-being improvements for people and communities, including by increasing prosperity, protecting and enhancing the environment, promoting culture and diversity, and being globally responsible.
8. The SPPP Act is clear that the primary geographic scope of the well-being improvements sought is the CA's "area" (section 24(1)). This is further described in Section 22(3) as the area where the authority "primarily exercises its functions". So, for some contracting authorities, this is the whole of Wales, and for others, for example health boards and local authorities, it is a smaller area. Taking a place-based or community-based approach to the well-being goals can help understand where the opportunities are and where well-being objectives or actions focus on a particular community. Each place/community will have different economic, social, environmental and cultural aspects to them that are captured through the well-being goals.



9. However, as our supply chains stretch away from our immediate areas, and around the world, the impacts of our procurement activity can be felt over a far wider area. These effects could, in turn, have a significant impact on the future well-being of Wales. For example, a decision which minimises environmental and social problems locally by “off-shoring” them could contribute to climate change, loss of biodiversity, abuse of human rights, or widening global inequality and instability, the effects of which will eventually be felt by everyone.
10. The “globally responsible Wales” goal requires CAs to consider the global impact of their procurement, and “when doing anything to improve the economic, social, environmental and cultural well-being of Wales, [an organisation] takes account of whether doing such a thing may make a positive contribution to global well-being”. It is helpful to think of global responsibility as an obligation in its own right. It may be helpful to use the UN Guiding Principles on Business and Human Rights as a framework for this².

The sustainable development principle and the five ways of working



11. The SPPP Act explains that actions should be taken “in accordance with the sustainable development principle” which is defined in section 5 of the WFGA to mean “acting in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs”. This means that the impact that procurement decisions have beyond the length of the contract need to be considered. These impacts may be harder to measure but they are important.
12. The public sector operates within political and budgetary cycles, which can make it difficult to prioritise long-term sustainability over short-term needs. However, this is at the heart of the WFGA and, by extension, so are the socially responsible

² [Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework | OHCHR](#)



procurement duties in the SPPP Act. Therefore, balancing short-term needs with the need to safeguard the ability to meet long-term needs is important for every procurement.

13. Section 24(7) defines the sustainable development principle in relation to section 5 in the WFGA Act. This (section 5(2)) sets out five ways of working, which enable contracting authorities to maximise their contribution to achieving the well-being goals. The five ways of working need to be applied when setting procurement objectives and taking all reasonable steps to achieve those objectives:

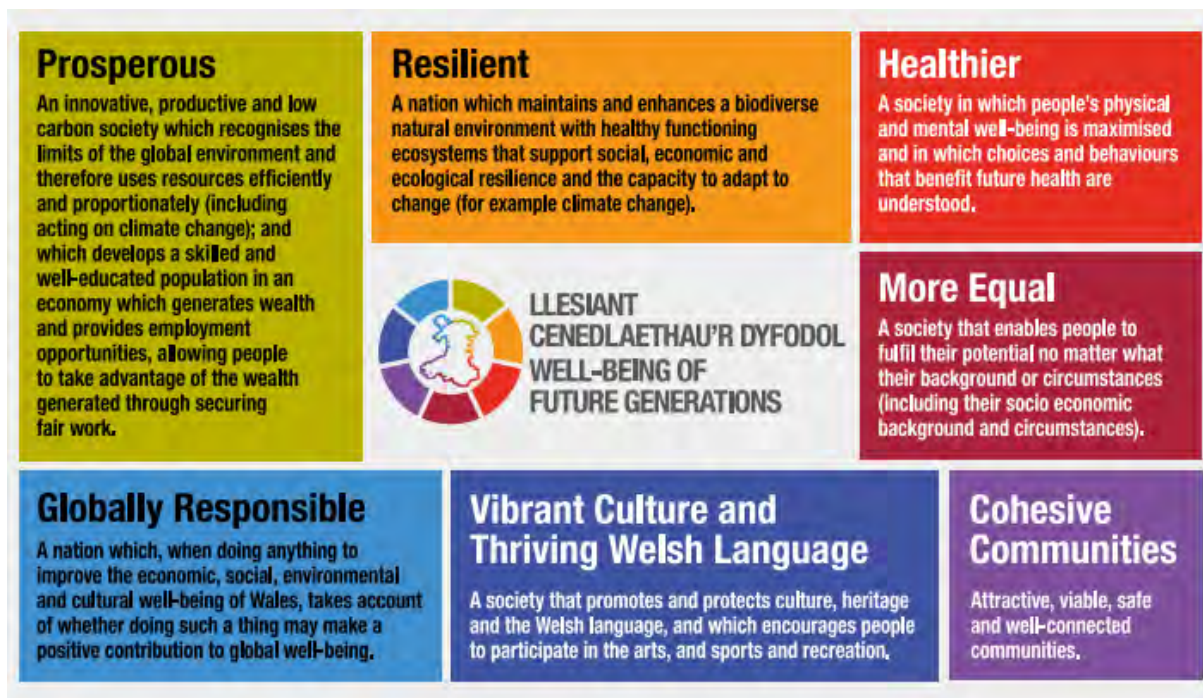
- I. Long-term "The importance of balancing short-term needs with the needs to safeguard the ability to also meet long-term needs."
- II. Integration "Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their objectives, or on the objectives of other public bodies."
- III. Involvement "The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves."
- IV. Collaboration "Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives."
- V. Prevention "How acting to prevent problems occurring or getting worse may help public bodies meet their objectives."

Statutory guidance on the Well-being of Future Generations (Wales) Act 2015 can be found at the following link - [SPSF 1:Core Guidance](#)

14. Some procurements may lend themselves to applying some of these ways of working more than others, for example directly involving interested parties in every small procurement may not be practical. However, they should all be considered at the outset.

The seven well-being goals





15. The seven well-being goals and descriptors can be found at section 4 of the WFGA and are designed to ensure that we are all working towards the same outcomes:

A prosperous, resilient, healthier, more equal, globally responsible Wales, and a Wales of cohesive communities, vibrant culture and thriving Welsh language

16. The '[Well-being of future generations act: the essentials](#)' document provides a useful summary of the seven well-being goals and the sustainable development principle.

17. The SPPP Act places a duty on CAs to take actions that are “aimed at contributing to the achievement of the well-being goals”, and this applies to all procurement and all the goals. The goals all link to the Socially Responsible Procurement Duty, where a CA must **seek to improve the economic, social, environmental and cultural well-being** of an area.

18. Whenever a public procurement exercise is being planned, therefore, consideration should be given to how the contract can help achieve the goals, and/or reduce risks of having a negative impact. For procurements related to prescribed contracts (which are certain categories of procurement and larger procurements, see below) CAs will have to take all reasonable steps to meet its socially responsible procurement objectives.



Prescribed Contracts

Expression	Meaning
prescribed contract (“ <i>contract rhagnodedig</i> ”)	SPPP Act .24(8) In this Part, a “prescribed contract” means— (a) a major construction contract (see section 25), (b) an outsourcing services contract (see section 26), and (c) any other public contract of a description prescribed by the Welsh Ministers by regulations.

19. The definition of a “prescribed contract” is one way in which the SPPP Act embeds the importance of proportionality. CAs are required to take all reasonable steps to meet their SRP Objectives when carrying out procurements for the award of a prescribed contract. There are three categories of prescribed contracts listed in section 24(8):

	Expression	Meaning
1	major construction contract	SPPP Act s.25(2) In this Part, a “major construction contract” is a public contract that is a works contract with an estimated value equal to or greater than £2,000,000. ³ SPPP Act s.25(3) The Welsh Ministers may by regulations amend this section to modify the meaning of a major construction contract.
2	outsourcing services contract	SPPP Act s.26(2) In this Part, “an outsourcing services contract” means a contract under which— (a) a requirement to provide a public service provided by, or previously provided by, a contracting authority is transferred to another person, or

³ The SPPP Act as updated by the [The Procurement \(Wales\) Regulations 2024](#)



		<p>(b) another person agrees to undertake any other function undertaken by, or previously undertaken by, a contracting authority;</p> <p>and “outsourced” is to be construed accordingly.</p>
3	any other public contract of a description prescribed by the Welsh Ministers by regulations	<p>Regulation 3.⁴— (1) For the purposes of section 24(8) of the <i>Social Partnership and Public Procurement (Wales) Act 2023</i> (“the 2023 Act”), a prescribed contract includes any contract of a kind referred to in paragraph (2), unless paragraph (3) applies.</p> <p>(2) The kinds of contract are—</p> <p>(a) a contract between one or more economic operators and one or more contracting authorities; and having as its object the execution of works, the supply of products or the provision of services;</p> <p>(b) a framework agreement.</p> <p>(3) Paragraph (2) does not apply if—</p> <p>(a) a contract has an estimated value that is less than the threshold amount set out in the table of paragraph (1) of Schedule 1 to PA 2023 for that type of contract, or</p> <p>(b) a contract is an exempted contract within the meaning of Schedule 2 to PA 2023.</p> <p>This provision appears in the <i>draft Social Partnership and Public Procurement (Wales) Act 2023 (Socially Responsible Public Procurement) Regulations 2025</i> (“the draft Regulations”).</p>

Building in proportionality

20. Whilst a CA must seek to improve the economic, social, environmental and cultural well-being of its area, it is important that it is done in a reasonable and proportionate way.

21. In assessing proportionality cost should be considered as a factor, however the risks and opportunities, and the nature of a contract should also be considered. Longer-term factors should be considered as well. For example, a smaller goods or works contract could potentially entail higher environmental risks than a larger services contract.

⁴ As defined in draft [The Social Partnership and Public Procurement \(Wales\) Regulations 2026](#)



22. Therefore proportionality covers:

- The degree of complexity in how we describe what we are seeking, i.e. the specification.
- The complexity in the procurement process and resulting workload for contracting authorities and bidders.
- The expected due diligence in contract management for contracting authorities, suppliers, and members of supply chains.

23. Those planning a low-value procurement should consider whether the likely administrative costs of pursuing a particular well-being improvement may be too high. Not considering this risks placing disproportionate burdens on suppliers, particularly SMEs, and on contract management resources in contracting authorities. It may also significantly reduce competition.

24. For a procurement that is not a “prescribed contract” it may be appropriate to discuss with colleagues and/or stakeholders about which of the well-being goals might be most affected by the procurement.

25. For example, it might be helpful to identify three risks to well-being that could be tackled, and three opportunities for improving well-being that could be taken. Documenting these will help ensure that they are addressed during the procurement and when managing the contract. For larger and more complex procurements there should be more ambitious expectations.

26. For prescribed contracts, section 24(6)(a) states that provisions must not be included that are not proportionate.

Avoiding Conflict with other Procurement Law

27. Section 24(6)(b) requires that no provisions should be included in a prescribed contract that would conflict with “any other enactment or rule of law relating to public procurement”. CAs should ensure that they are familiar with all other applicable law, including (but not limited to) the [Procurement Act 2023](#) and the [Health Service Procurement \(Wales\) Act 2024](#).

Outcomes

28. The following is a non-statutory and non-exhaustive list of well-being outcomes which could be pursued through procurement. This list may provide a helpful guide when CAs are considering the well-being risks and improvement opportunities for all contracts.



Economic

- Opportunities for SMEs and suppliers in the foundational economy
- Measurable benefits to local economies
- A focus on skills for the future, including the green economy
- Opportunities for training and progression in work
- Better pay, including more people paid above the Real Living Wage

Environmental

- Reduced carbon emissions, including Scope 3 emissions⁵ (including overseas consumption emissions), and progress towards net zero commitments
- Waste minimisation and promotion of a circular economy
- Sustainably and ethically sourced goods and services, including reduced deforestation and land footprint and associated human rights abuses in supply chains
- Protection of, and improvements to, biodiversity and nature
- Global environmental protections and reduced global footprint⁶
- Reduced pollution, including sound and light pollution
- Climate and supply chain resilience

Social

- More people paid above the Real Living Wage
- Greater worker voice, trade union representation and collective bargaining
- Greater job security and flexibility
- Tackling slavery and protecting human rights in global supply chains, as set out in the *UN Guiding Principles on Business and Human Rights*.
- Recruitment and employment practices that achieve greater diversity and equal opportunities for people with protected characteristics and reduce pay gaps
- Workplace rights more widely understood and protected
- Protection and improvement of physical health
- Protection and improvement of mental health
- Reduced poverty and inequality
- Greater digital equality

⁵ [Welsh Public Sector Net Zero Carbon Reporting Guide](#)

⁶ A national milestone relating to this national indicator was set in December 2022: "Wales will use only its fair share of the world's resources by 2050". A Global Footprint is an estimate of the land area required to support consumption by a country at a global scale.



Cultural

- Initiatives that create thriving urban and rural communities
- Protection and enhancement of cultural assets and facilities
- Promotion of the arts sector
- Protection and enhancement of heritage and historic sites
- Greater use of the Welsh language
- More evidence of citizen engagement

Socially Responsible Procurement throughout Procurement

29. This section provides examples showing how socially responsible procurement can be addressed at certain stages of the procurement exercise.

PLAN

30. “Plan” is the most important stage for building socially responsible outcomes into procurement. For smaller procurement “Plan” and “Define” may be combined into one stage, but where possible it is helpful to answer some high level questions before moving on to define your requirements in detail.
31. Questions to ask at “Plan” stage include whether the procurement is needed at all. Is there already something that can be modified to meet the new requirement, or another way of meeting the needs with existing resources? Several of the well-being goals might be addressed by saving the time, costs and resources needed for a new procurement.
32. Time taken to think through all the potential well-being risks and benefits at the start of a procurement is always time well-spent. Depending on the size and complexity of the procurement it may be helpful to organise meetings with people connected with the product or services, including end-users.
33. For many procurements it may be helpful at this stage to meet colleagues working in areas such as equality and diversity, Welsh language, carbon and waste management, skills, community engagement etc.
34. It is often helpful to meet potential suppliers at this stage as well, or it may be more appropriate to do this at the “Define” stage. Pre-market engagement can help identify new ways of doing things and allows potential bidders extra time to prepare innovative and cost-effective solutions.

DEFINE



35. “Define” is the second most important stage for building in socially responsible outcomes, for two main reasons:

- i. Bidders are also more likely to be able to identify cost-effective solutions to achieving well-being outcomes and managing risks at the start when they are preparing their bids. They will be trying to be innovative to present a competitive proposal. How you define your procurement will have the biggest impact on the way bidders prepare bids.
- ii. Once contracts have been signed any well-being outcomes you try to retrofit are likely to cost more and be less well integrated into the product or service being delivered.

The fictional example in Annex 1 shows well-being outcomes being built into the “Define” stage of a procurement of catering services in staff offices.

36. Once you have identified the considerations and requirements and developed your specification, you will also design your process, set award criteria, evaluation questions and scoring methodology. These, along with other tender documentation will then form part of your full tender documentation pack.

37. The critical thing at this point is to make sure the good ideas generated in your work on the specification are embedded in the questions and award criteria and given the right weighting. They also need to be embedded in the contract and agreed performance indicators.

38. It is not recommended to set a fixed percentage of your award criteria to social responsibility (or social value) for all procurements. Each project needs to be considered on its own merit.

39. For some procurements where budgets are agreed and fixed in advance it may not be necessary for bidders to compete on price at all. Instead, they can compete on the quantity and quality of what they can deliver for the price specified.

40. Fictional examples in **Annex 2** illustrate how careful thought about award criteria and weighting can make a difference to ensuring that well-being objectives are met throughout the life of the contract.

PROCURE



41. The “Procure” stage is the one where there is almost no possibility for influencing the well-being outcomes. If these have not been included in the questions and appropriately weighted it is not possible to change this during the procurement.
42. The only consideration at this stage is whether you have the best people on your tender evaluation panel. Consider including someone with knowledge about the well-being outcomes sought. You will need to be able to differentiate between a bid that may have been prepared with the help of AI, and one that demonstrates clear understanding and commitment to these outcomes.

MANAGE

43. Success or failure in delivering well-being outcomes is often largely down to the quality of contract management. Even if you have run excellent “Plan”, “Define” and “Procure” stages unless you remain focused on well-being through the life of the contract it is likely that corners will be cut to save money and opportunities will be missed.
44. The fictional example in **Annex 3** illustrates the importance of including an on-going assessment of the impact on end-users in the contract management arrangements.
45. Sometimes the costs and practicalities of delivering well-being outcomes may be more difficult to anticipate than other elements of project delivery. Ongoing dialogue with your supplier can help anticipate any problems and allow you to work with your supplier to find solutions.
46. Equally, if other unforeseen cost pressures arise during a contract, it may be easier for a supplier to cut corners on its well-being obligations to continue to deliver the project within the agreed cost. It is important to make sure that your KPIs and any other incentive mechanisms also properly embed the agreed well-being outcomes.
47. Every procurement presents an opportunity to learn from what went well and what was difficult. Writing up the achievements in a short case study can allow good and innovative practices to be shared and learned from by others.



Annex 1 – Example – Catering Services – DEFINE STAGE

In this example the contracting authority has already set some Socially Responsible Procurement Objectives, and these are included in italics in the third column. Please note that these are just possible examples of objectives.

This table is covering the sourcing of the food and not the wider service, where other well-being goals such as equalities, fair work, waste minimisation and carbon reduction will also need to be considered in planning.

Catering Services Contract – food sourcing		
Background	A contracting authority requires catering services for its staff in their in-house office locations.	
Considerations	Global responsibility, local sourcing, health and well-being, carbon reduction, Welsh language and culture.	
Categories of food	Contract Considerations	Socially Responsible Procurement Objectives & Well-Being Goals
(1) Food sourced globally	<ul style="list-style-type: none"> Coffee and cocoa must be sourced/procured from overseas. The contract specifications should include the supply chain involved and ethical considerations, such as no forced or child labour, Fair Trade practices and human rights being respected. Contract specifications should include the impact on costs of delivery, the carbon footprint and impact on deforestation of growing and transporting goods. Specifying that any palm oil in products must be RSPO (Roundtable on Sustainable Palm Oil) physically certified would reduce deforestation. Or 	<p>Socially Responsible Procurement Objective <i>Increasing awareness of ethical considerations when sourcing globally.</i></p> <p>WFGA 2015 Well-Being Goal A globally responsible Wales</p> <p>Well-Being Pillar Social Environmental</p>



	any applicable accreditation that would be required.	
(2) Food sourced locally	<ul style="list-style-type: none">• Separating the requirement into lots (section 18 of the Procurement Act 2023) could encourage more local SMEs to submit tenders. This approach would also fulfil the obligations under Section 12(4) of the Procurement Act 2023 on having regard to barriers faced by SMEs.• Contract specifications could include Welsh food menu items and bilingual packaging.• Certifications, such as organic and pasture fed meat and dairy, and MSC/ASC certified fish and seafood, could be made mandatory requirements, which may result in more local sourcing.• Specifying increased seasonality of vegetables would encourage local supply.	<p>Socially Responsible Procurement Objective <i>Encourage SMEs (including local Welsh SMEs) to bid for projects and</i></p> <p><i>Increase awareness and access to Welsh culture/heritage.</i></p> <p>WFGA 2015 Well-Being Goal A prosperous Wales, A Wales of vibrant culture and thriving Welsh language</p> <p>Well-Being Pillar Economic Cultural</p>



ANNEX 2 – EXAMPLES – DEFINE STAGE

Example 1: Contract for community engagement project

The requirement:

The contracting authority seeks a supplier to work within an urban community to identify barriers to participation in civic matters, and drive improvements. A set budget has been allocated to this job. The community includes Wide cultural diversity and families living in poverty.

Main well-being goals to be addressed:

A Wales of cohesive communities

A more equal Wales

A healthier Wales

A Wales of vibrant culture and thriving Welsh language

The award criteria:

- Since the budget is fixed the contracting authority decides not to include price as an award criterion but asks instead for a breakdown of the number of person hours at various levels of seniority that will be engaged on the project.
- The bidders are also asked to explain in detail how they will engage with hard-to-reach groups, including their plans for accessibility for disabled people, people in different age groups, and those who experience language barriers.
- Another set of questions seeks plans for addressing the project, reporting at intervals and measuring success are sought.
- Consideration is given to the weighting, and it is decided that a third of the marks should go to each of these groups of questions.



Example 2: Landscaping work outside a public building

The requirement:

The contracting authority seeks a supplier to carry out a re-design of the area around a building, to change the car parking configuration and improve the biodiversity in the area. Its specification includes consideration of:

- Resilience to climate change:
- Water drainage and reducing risks of flooding
- Improved parking, including for e-vehicles and blue badge holders
- Encouraging cycling
- Planting to encourage insects
- Lighting to minimise disruption to birds and insects etc

As well as these design points the authority asks about fair work, materials – re-use, sustainable and ethical sourcing of materials, carbon reduction, opportunities for local workers and community benefits.

Main well-being goals to be addressed:

A resilient Wales
A healthier Wales
A globally-responsible Wales

The award criteria:

- Price will be one of the award criteria in this contract. Sensitivity analysis is completed on the scoring model and weighting.
- Consideration is given to the weighting, and it is decided that a third of the marks should go to price, a third to the group of questions on the requirement and a third to wider sustainability and well-being requirements.



ANNEX 3 – Example – MANAGE STAGE

Example 3: Bus service timetabling and information, using AI technology

The requirement:

The contracting authority seeks a technical solution to improve its bus timetabling, routes and information management. The technology will include Artificial Intelligence in both the design and on-going management of the service.

The “Plan’ and “Define” stages identified the importance of meeting the needs of the people involved, both as drivers and passengers. For drivers this included rest, refreshment and toilet facilities. For passengers the needs of disabled passengers in particular, and geographic, demographic and timing data, for example on proximity to schools, needed to be included, as did the impact of road closures. Communication and information management was a particular focus and Welsh language requirements were also included.

The procurement has completed and the attention turned to managing the contract.

Main well-being goals being addressed:

A resilient Wales
A healthier Wales
A more equal Wales
A prosperous Wales
A Wales of vibrant culture and thriving Welsh language

Contract management activities:

As well as regular collection and reporting of KPIs the authority thought it needed to collect and analyse feedback on its service, both from drivers and passengers. Complaints were collected and analysed. A survey was designed by returning to the original specification to identify:

- overall satisfaction with the service
- whether the specific needs of minority groups were being met
- the quality of communications
- how well feedback mechanisms were improving services for both passengers and drivers.